

***United States Court of Appeals
for the Second Circuit***



APPELLEE'S BRIEF

75-7529

IN THE
United States Court of Appeals
For the Second Circuit

SCARVES BY VERA, INC.,

Plaintiff-Appellant,

vs.

TODD IMPORTS LTD. (INC.),

Defendant-Appellee.

On Appeal from the United States District Court
for the Southern District of New York

BRIEF FOR DEFENDANT-APPELLEE

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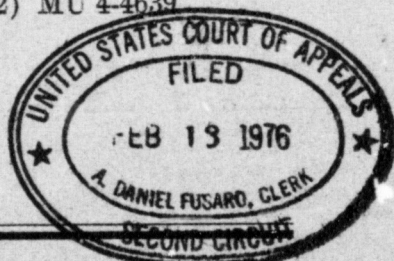




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Issues Presented for Review

I. Where the trademark in suit (i) is a common English given name, (ii) is the given name of one of plaintiff's incorporators, (iii) is the surname of defendant's supplier, (iv) is found in a plurality of trademark registrations for various goods, and (v) is used in the trade names of a large number of business concerns, was the District Court's finding of fact that VERA is a weak mark clearly erroneous?

II. Where the extension of a trademark from apparel to cosmetics was shown at the trial to be limited to a small number of high fashion designers, and where the goods, reputation, and selling methods of the plaintiff distinctly differ from those of such high fashion designers, was the District Court's finding of fact that plaintiff was not a high fashion designer clearly erroneous?

III. Where the respective goods of the parties (i) are completely dissimilar, (ii) are sold through different channels of trade, (iii) are ordinarily advertised in different media, and (iv) have been continuously sold in the United States for over twelve years without giving rise to any instances of confusion, was the District Court's decision that there was no likelihood of confusion clearly erroneous?

IV. Where the defendant adopted its trademark in good faith on goods entirely different from plaintiff's scarves and linens and without intention to trade on such good will as plaintiff may have acquired for its goods, and where there is no substantial likelihood that plaintiff will expand into defendant's field or that plaintiff's reputation will be tarnished, was it error for the District Court to refuse to award an injunction against defendant from selling its cosmetics under the surname of its supplier Vera?

Statement of the Case

On July 7, 1971, plaintiff Scarves by Vera, Inc., commenced this action against defendant Todo Imports Ltd. by filing a complaint in the United States District Court for the Southern District of New York. The complaint alleged that defendant's sale of cosmetics, toilet preparations;

and toilet soaps under its trademark VERA infringed plaintiff's registered trademark VERA for fabric goods. The complaint also alleged that defendant's acts constituted unfair competition. Plaintiff sought damages, an injunction, and an accounting.

In its answer, defendant denied plaintiff's allegations of infringement and unfair competition and raised a number of affirmative defenses, including prior use of the trademark VERA by defendant's supplier, Vera Perfumeria y Cosmetica of Spain (15a).¹

The action was tried without a jury before the Honorable Robert L. Carter, U.S.D.J., on October 21 and 22, 1974. In addition to the issues raised by the pleadings, the issue of the continuous use of the trademark by defendant's predecessors in the United States since 1962 was tried with the implied consent of the plaintiff.² In an opinion filed on July 10, 1975, the District Court held, for the reasons stated therein, that there was no likelihood of confusion between plaintiff's and defendant's products and that there was "no valid reason" for granting plaintiff an injunction against the defendant. A judgment dismissing the complaint was entered on August 28, 1975. On September 16, 1975, plaintiff filed a notice of appeal.

1. The suffix "a" refers to pages in the Joint Appendix.

2. Although the plaintiff objected to some of defendant's evidence on this question, the objections were based on grounds other than the relation of the evidence to the pleadings (237a).

Statement of the Facts

Plaintiff Scarves by Vera, Inc., now a New York corporation, was organized in 1945 by Vera Neumann, her husband, and a Mr. Hamm (199a-200a). The enterprise started out as a partnership but subsequently became a corporation, of which Mrs. Neumann is now president (200a-201a). Plaintiff originally sold linens bearing Mrs. Neumann's designs; later, its line was extended to include scarves, headwear, shawls, mufflers, beachbags, dresses, belts, sweaters, blouses, and similar articles (39a-40a, 201a), all of which now bear the patterns and signature (VERA in script) of Mrs. Neumann (40a). Plaintiff manufactures its products in this country, Japan, Korea, and Italy (117a) and ordinarily sells its products in department stores, boutiques, and specialty shops (43a). A substantial portion of plaintiff's advertising and sales is directed towards linens, plates, and other non-apparel items (E111).³ In addition, various trademark licensees of the plaintiff manufacture and sell such items as luggage (115a, DXDK),⁴ needlepoint (113a-115a, DXDL), linens (113a-116a, E206) and quilts and draperies (114a).

On August 11, 1959, plaintiff obtained U. S. Registration No. 683,332 for the trademark VERA, in script, for ladies' scarves, neckties, blouses, shawls, and kerchiefs adapted to be worn as head coverings and as neckerchiefs (10a). On August 11, 1970, plaintiff obtained U. S. Regis-

3. The prefix "E" refers to pages in the Exhibit Volume.

4. The prefixes "PX" and "DX" refer to plaintiff's and defendant's exhibits respectively.

tration No. 896,548 for the identical mark for articles of wearing apparel for women, young women and girls—namely, scarves, neckties, blouses, shawls, and kerchiefs adapted to be worn as head coverings and as neckerchiefs; barbecue sets including aprons and gloves, coveralls in the nature of smocks; outer dress and sport shirts, outer shorts and trousers of assorted lengths, dress pajamas, waistcoats, shifts, dresses, playsuits, skirts, tunics, tops, jumpsuits, sashes, mufflers, ponchos, hats, caps, and hoods; and for table linens, *i.e.*, tablecloths, napkins, hand towels, kitchen aprons, dish towels, guest towels, potholders, place mats, and bath towels (11a).

Plaintiff has never used the mark VERA on perfumes or cosmetics (106a). Although it tried at a late date on two occasions to interest existing perfume manufacturers in using its mark under license, these attempts proved unsuccessful (141a-144a).

Defendant⁵ Todo Imports Ltd. is a New York corporation organized in 1968 (153a) and presently located in

5. Throughout this brief, the term "defendant" will sometimes also be used to refer to defendant's supplier, Vera Perfumeria y Cosmetica, S.A. (Vera S.A.), and to previous U. S. distributors of Vera cosmetics such as Vera Cosmetics Ltd. This terminology is in accord with the principle that a retailer or distributor in a trademark suit stands in the shoes of its supplier, see *Manhattan Shirt Co. v. Sarnoff-Irving Hat Stores, Inc.*, 18 Del. Ch. 224, 158 A. 133, 136 (1931), *aff'd*, 20 Del. Ch. 455, 180 A. 928 (1934), and with the principle that, unless otherwise agreed, use of a trademark in the United States by a local distributor inures to the benefit of its foreign supplier:

"[I]t is well settled that ownership of a mark in the United States as between the foreign manufacturer of a product and the exclusive importer or distributor thereof in this country is a matter of agreement between them. In the absence of an agreement, express or otherwise, by the manufacturer of goods abroad that the trademark affixed to the goods at that time is the prop-

(footnote continued on next page)

Union City, New Jersey. Since at least 1970 (29a-34a), Todo Imports has been the exclusive New York distributor of cosmetics and toiletries bearing the trademark VERA in block letters. Todo's supplier is Vera Perfumeria y Cosmetica, S.A. (Vera S.A.), located in Barcelona, Spain, and founded in the 1930's by its present owner, Abelardo Vera Martinez (151a-153a). "Vera" and "Martinez" in this name represent the surnames of the father and mother, respectively; normally the owner of Vera S.A. would be referred to simply by his father's surname Vera. Vera S.A. obtained an International Registration No. 134,216 in 1948 for the mark VERA and renewed said registration in 1968 (E146-E148).

In 1962, Vera S.A. began to export VERA perfumes and cosmetics to the United States (E152-E153). These shipments were handled by various local distributors between 1962 and 1964 (231a-258a, E149-E172) and by Sarita Feldchtein (doing business as Vera Cosmetics Ltd. or Vera Cosmetics Co.) between 1964 and 1970 (272a, E191-E198).⁶ In 1964, Vera S.A. participated in a trade show in New York City in which it displayed cosmetic products bearing the mark VERA, and in some cases, subbrand marks such as SIGLO DE ORO (260a-262a, E187). Vera S.A. regis-

erty right of the importer or exclusive distributor or in the absence of an assignment by the manufacturer to the exclusive importer or distributor of all of the former's rights in the mark in the United States together with the business and good will associated therewith, it is presumed that the manufacturer is the owner of the mark for such goods sold in the United States." *Jean D'Albret v. Henkel-Kasarna G.m.b.H.*, 185 U.S.P.Q. 317, 320 (T.T.A.B. 1975).

6. Miss Feldchtein continues to import VERA cosmetic products, up to an annual amount of \$8,000, under a saving provision of Todo's distributorship contract with Vera S.A. (30a, E199-E201).

tered the mark SIGLO DE ORO in the United States in 1967 (E202). A copy of the specimen label required by the Trademark Act and regulations thereunder shows that, in addition to the mark SIGLO DE ORO, the mark VERA was also used thereon (E203-E204).

On May 6, 1971, Vera S.A. filed a United States application for registration of the mark VERA for cosmetics and toilet preparations including nail lacquer, lipstick, face powder, eye shadow, cologne, perfume, after-shave lotion, and deodorants; and for toilet soap (DXEQ).⁷ The trademark examiner, recognizing the difference between fabric goods and consumable cosmetics, soaps, and colognes, did not cite the plaintiff's trademark VERA against the application of Vera S.A. for registration of its mark VERA; on May 29, 1973 defendant's trademark VERA was published for opposition in the Patent Office Official Gazette (154a, DXEQ). Plaintiff then filed an opposition to the registration of defendant's mark VERA, proceedings in which have been suspended pending the termination of this action (154a-155a).

Summary of Argument

The District Court refused to enjoin the defendant from using its own trademark VERA after concluding that no confusion was likely between the trademarks as used on the respective goods of the parties (296a-297a). We submit that the decision of the District Court is correct and that

7. Although Defendant's Exhibit EQ was designated for inclusion in the Joint Appendix pursuant to Rule 30(b) of the Federal Rules of Appellate Procedure, plaintiff failed to so include this exhibit in the appendix that was served. Accordingly, this exhibit is being reproduced as an appendix at the end of the brief for the convenience of this Court.

it should be affirmed in all respects. The decision of the District Court is especially entitled to respect since it is not based solely upon a comparison of the marks themselves,⁸ but rather is grounded on such extrinsic considerations as the weakness of the plaintiff's mark, the lack of relationship of the goods of the parties, and the circumstances surrounding the adoption of the mark by the parties. The District Court's findings concerning these matters should be accorded great weight and should not be overturned unless they are clearly erroneous. *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F. 2d 794, 799 (9th Cir. 1970); *Miss Universe, Inc. v. Patricelli*, 408 F. 2d 506, 509 (2d Cir. 1969).

Far from being "clearly erroneous," the factual findings supporting the District Court's ultimate conclusion are compellingly supported by the record. Specifically, the District Court was clearly justified in finding that the trademark VERA is a weak mark, since it is a common given name and surname. The mark VERA and closely similar marks have also been used or registered by third parties for a number of goods, including scarves and cosmetics, and have been adopted by a number of business establishments, including those dealing in fashions and other apparel, all this further evidencing the weakness of the mark VERA of an indication of origin.

The Court's other principal finding, that plaintiff's president Vera Neumann was not a high fashion designer and thus would not be considered likely to enter the field of cosmetics, is overwhelmingly supported by the testimony

8. Indeed, the District Court expressly rules this out as a ground for its decision (292a).

and documentary evidence concerning plaintiff's product lines, the history of its business, its past and present advertising and selling methods, and the failure of previous efforts to license others to enter this field. Plaintiff's only contrary evidence, on the other hand, comes from the conclusory statements of three so-called expert witnesses, two of whom were clearly biased, and from hearsay newspaper and magazine articles which, in any event, are inconclusive.

The possibility of confusion is further minimized by the fact that the goods of the parties are functionally dissimilar, are ordinarily sold through different channels of trade, and are advertised in different media. The Court correctly held that no actual confusion has been experienced between the marks of the parties and that this strongly suggests that no such confusion is likely. Plaintiff's only attempt to rebut this point, besides the irrelevant experience of a third party couturier having a prior date of first use, was a contrived department store transaction that in any event must be strainingly interpreted to show "confusion."

The District Court's finding that the defendant and its predecessors have been continuously using the mark in the United States since 1962 is in accord with the preponderance of the evidence, including the testimony of Miss Feldchtein and Mr. Acosta of Vera S.A. who came from Spain to testify and the documentary evidence showing shipments of Spanish VERA products into this country since 1962. Again, the contrary inference urged by the plaintiff depends on ignoring unambiguous testimony and drawing the most

unlikely and unnatural conclusions from the documents in evidence.

Finally, the refusal to award an injunction is clearly supported by the equities of this case. Defendant's supplier adopted the mark VERA in good faith long before the plaintiff registered its mark. Plaintiff is unable to show any present injury, since the parties do not compete, is also unable to show any prospective injury since there is no substantial likelihood either that plaintiff's reputation will be tarnished by defendant's practices or that it will enter the field of cosmetics.

POINT I

Plaintiff's trademark VERA is a weak mark entitled to only a limited scope of protection.

A principal consideration underlying the District Court's opinion is the inherent weakness of the mark VERA. Not only is Vera a common English given name,⁹ but it is also a common surname, particularly in New York and other areas having large Spanish-speaking populations. Twenty-eight instances of the surname Vera appear in the Manhattan telephone directory alone (E174-E175). Not surprisingly, the name Vera is used by a number of business establishments unrelated to either of the parties, including, in Manhattan alone, Vera Custom Fashions, Vera DeParis Beauty Creations Inc., Vera Ladies Belt & Novelty Corp., Vera Novelty Leather Goods Inc., and Vera's Beauty Box (E174-E175). One of these concerns, Vera Custom

9. Vera is listed under "Common English Given Names" in Webster's Seventh New Collegiate Dictionary at 1181 (1965).

Fashions, uses the mark VERA on its letterheads, business cards, and garment labels in a style closely resembling that of the plaintiff (E190, 221a-222a). Other examples outside of Manhattan could undoubtedly be given, although they would merely be cumulative on the question of commonalty. Despite the fact that many of these concerns deal in the same or closely related goods, plaintiff has experienced no confusion with them¹⁰ and apparently has declined to enforce any trademark rights it may have.

In addition, VERA and closely similar marks have been the subject of a number of trademark registrations including VERA SMART for women's full fashioned hosiery (E127). VERA CRUZ for textile fabrics (E131), VERA HORN for women's wearing apparel (E132), and VERA STEWART for cosmetics (E128). Significantly, one of these marks, VERA HORN, is in script and specifically refers to "scarves" in its registration (E132). The mark VERA itself has been registered for foods (E126). Plaintiff has experienced no confusion with any of these marks¹¹ and has apparently acquiesced in their use, even though only the registrations for VERA and VERA SMART allege prior dates of first use.

Plaintiff has contended, however, that despite this inherent weakness and commonality, the name VERA has become synonymous with signature scarves and is thus entitled to the broad scope of protection normally accorded a strong mark. In support of this contention, it has advanced

10. Plaintiff's Supplemental Answers to Defendant's Requests for Admissions, filed July 5, 1973.

11. *Id.*

several arguments for finding error in the District Court's holding that VERA is a weak mark. None of these arguments, we submit, has any merit.

Plaintiff first argues that Judge Carter's post-trial remark (286a) about the apparent strength of its mark reflects a fresh "impression" which belies a later finding of the mark's weakness (Brief for Plaintiff-Appellant¹² at 16). This argument is absurd on its face. Aside from the fact that the judge was intending to define issues rather than any findings of the Court, the "strength" of a mark is not determined from the demeanor of the witnesses, but rather is a question of fact and can only be decided after reviewing all the evidence, much of which is documentary. In fact, if any inference were to be drawn from the assumed change of view of the Court, it would be that defendant's evidence of the weakness of the mark VERA was found to be persuasive.

The mere fact that plaintiff may have engaged in extensive advertising does not necessarily prove that VERA has become a strong mark, since the effect of such advertising depends heavily upon its content. *Exquisite Form Industries, Inc. v. Exquisite Fabrics of London*, 378 F. Supp. 403, 411 (S.D.N.Y. 1974) (plaintiff's mark held "weak" despite \$30 million advertising over thirty years). Considering that most of plaintiff's advertising was of the "cooperative" type jointly sponsored by it and the retailer (78a), it is questionable whether the effect of these advertisements is commensurate with the amount spent.

12. Hereinafter cited as Brief.

Defendant is astonished that plaintiff cites three claimed "adjudications" of the strength of its mark (Brief at 18-20). None of these cases involved rights in the VERA trademark. In both *Scarves by Vera, Inc. v. Fabrea Corp.*, 129 U.S.P.Q. 395 (S.D.N.Y. 1961), and *Scarves by Vera, Inc. v. United Merchants & Manufacturers, Inc.*, 173 F. Supp. 625 (S.D.N.Y. 1959), the issue was whether the use of the short form "Vera" rather than "Scarves by Vera, Inc." satisfied the notice requirement of the Copyright Act, 17 U.S.C. §19. In *Key West Hand Print Fabrics, Inc. v. Serbin, Inc.*, 269 F. Supp. 605 (S.D. Fla. 1966), aff'd, 381 F.2d 735 (5th Cir. 1967), another case involving the *copyright notice requirement*, the issue was whether it was feasible for a printer or converter of cloth to place his name in the design of the cloth rather than on its edge. The quoted language (Brief at 20) is taken from a sentence which in whole states that, while it is not unusual for dress manufacturers to insert their names into the design, it is not feasible for the printer or converter to do so. *Id.* at 609. The tenuousness of the connection between the actual issues adjudicated by these cases and the proposition for which they are cited underscores the weakness of plaintiff's position.

Plaintiff has further argued that the third party registrations do not show use of the marks that were registered. This argument simply does not accord with the facts of this case or with common sense. Affidavits of five years' continuous use under 15 U.S.C. §§1058 and 1065 have been filed for each of the marks VERA SMART, VERA CRUZ, VERA HORN, VERA STEWART, and VERA for foods (E127-E132). To say that these facts do not show actual use of the marks is to say, in effect, that a trademark owner

would incur the expense and possible penal liability of filing a false affidavit of continued use where there was, in fact, no such use and hence no trademark to protect. The contention that use of such evidence constitutes legal error also squarely conflicts with the decisions of this Court and others that have expressly considered third party registrations, directory listings, and the like, in determining the strength of a trademark. *E.g.*, *Triumph Hosiery Mills, Inc. v. Triumph Int'l Corp.*, 308 F.2d 196, 199 n.2 (2d Cir. 1962); *General Motors Corp. v. Cadillac Marine & Boat Co.*, 226 F. Supp. 716, 723-24 (W.D. Mich. 1964). Moreover, as plaintiff's cross-examination of Miss Vera Von Eul, proprietor of Vera Custom Fashions, shows (224a-226a), it was well capable of ascertaining the extent of use of a mark when such a showing would be to its advantage.

Finally, all of the plaintiff's arguments in support of the strength of its mark suffer the fundamental flaw of assuming, as their major premise, that merely because the mark VERA may have won general recognition as signifying plaintiff's scarves, the mark VERA applied to cosmetics will also be associated with the plaintiff. We submit that this premise is basically untenable, for it assumes not only that purchasers are familiar with the mark VERA as used by the plaintiff, but also that they are ignorant of all the other uses of the word VERA and would hence associate the mark only with the plaintiff. To use an analogy, based on a case¹³ having a closely similar fact pattern, no one would dispute the proposition that the mark CADILLAC is universally associated with the General Motors car. To conclude, however, that a purchaser seeing this mark on dog food or even a boat would impute these products

13. *General Motors Corp. v. Cadillac Marine & Boat Co.*, *supra*.

to the same manufacturer is to ignore reality. Instead, the purchaser will remember that CADILLAC is a historical and superlative term and, while he may be reminded of the automobile manufacturer, will not impute a common sponsorship. Similarly, in the instant case, it is singularly unlikely that a purchaser of VERA cosmetics, who is accustomed to seeing the word VERA in other contexts, would ascribe their origin to the plaintiff, even though that purchaser might be reminded of plaintiff in passing. The District Court recognized the fallacy of this premise when it observed that "even if that dubious contention [that VERA has acquired a secondary meaning for scarves] were to be conceded, it does not establish plaintiff's right to bar use of the mark in other fields" (295a). Rather than directly challenge this assertion, the plaintiff has attempted to find error in the Court's characterization of the contention (as to secondary meaning) as being "dubious" (Brief at 2.). The "dubiousness" of the contention is clearly irrelevant, since the Court is in effect conceding its truth for the sake of argument.

POINT II

Plaintiff does not have the reputation of a high fashion designer necessary to bridge the gap between its fabric goods and fragrances, soaps and cosmetics.

One of plaintiff's principal arguments (Brief at 25-26) is that since such renowned high fashion designers as Yves Saint Laurent, Pierre Cardin and others have expanded from apparel to perfumes and cosmetics, it too is entitled to expand into such areas and thus confusion will arise. This assumes a fact not in evidence. We submit that this argu-

ment is totally without merit and was rightfully rejected by the District Court, for it overweeningly assumes that the public would equate Vera with these designers as an arbiter of high fashion. The facts, however, indicate otherwise.

Even the most superficial comparison of Mrs. Neumann's credentials with those of the designers to whom she is compared reveals telling differences of image, style and capabilities. With few exceptions, those designers began as couturiers^{14 15} or designers of fashionable custom-made women's clothing, and later expanded to accessories, cosmetics, and the like (174a, 182a-183a). Although some of these designers have moved from couture in the strict sense to mass production, their designs have not lost their high fashion character, and their advertisements (E55-E86, E89, E92) continue to suggest that their clothing is particularly suited for formal business or social or other occasions calling for sophistication and elegance.

It is obvious, however, that whatever abilities or popularity Mrs. Neumann may have as an artist, she has neither achieved nor sought a level of sophistication commensurate with high fashion. In contrast with such high fashion houses as those of Saint Laurent and Cardin, plain-

14. The term is used herein to refer to both men and women designers.

15. Contrary to what plaintiff seems to imply (Brief at 25-26), the District Court did not hold that only couturiers "qualify" as high fashion designers. With only two exceptions (Gucci and Hermes), however, all of the fashion designers named by the plaintiff *did* begin as couturiers (182a-183a), and it is inconsistent of the plaintiff to suggest that only the similarities between Vera and such designers be considered while the differences be ignored. Further, every other consideration (product line, price, advertising and selling methods) also leads away from the conclusion that Vera Neumann is a high fashion designer, "couturier" or otherwise.

tiff has, almost from the outset, been associated with such commonplace products as hand towels, tablecloths (123a), pot holders, dish towels, barbecue gloves, aprons, and napkins (124a). Even the apparel products of plaintiff are more properly defined as sportswear, suitable for casual but not formal occasions. The "fashion exhibitions" plaintiff speaks of (Brief at 30) turn out, for the most part, to be joint promotional campaigns with retail stores which feature such events as scarf tying (E96). The view that Vera is something other than a high fashion designer also seems to be held by fashion critics, who speak of "Vera, the textile designer" (E98) and her "sportswear collection" (E13) and "leisure fashions" (E35). The relative prices of plaintiff's products and those of celebrated designers also strikingly reflect the differences in reputation and level of fashion. Thus, while Scarves by Vera sells a jockey shirt for only \$20, Anne Klein and B. H. Wragge sell theirs for \$75 and \$80, respectively (E28).

That the plaintiff has not achieved a high fashion reputation is not surprising, since there is no evidence she ever sought it. Plaintiff has placed only a small fraction of its advertising in such fashion magazines as *Vogue* and *Glamour*, but has instead relied principally upon local newspapers and trade publications (E1-E54, E90-E91, PX2-PX4). Most of plaintiff's advertising is of the "cooperative" type, sponsored jointly by the manufacturer and the retailer (78a). Many of the advertisements, moreover, emphasize the practical aspects of plaintiff's products, as would be understandable when advertising what is basically sportswear. Thus, one advertisement (E103) speaks of "easy-care" designs which are "washable, non-wrinkling

and thereby great travelers". Other advertisements speak of "drip dry" cottons (E101) and "no-iron" tablecloths (E43).

Plaintiff's replies to these points are not well-taken and, in many respects, are inconsistent. Plaintiff takes issue, for example, with the District Court's finding that "[a] great part of plaintiff's business is linens". But the use that plaintiff makes of its own advertising and sales figures results not only in irreconcilable factual contentions, but also in irreconcilable legal contentions concerning the consequences of these facts. For example, plaintiff argues at one point (Brief at 18 n.12) that the advertising figures shown in Plaintiff's Exhibit 24 (E111) do not reflect expenditures by licensees such as Burlington. Later, however, plaintiff argues (Brief at 29) that the advertising and sales figures for linens shown on the same document, which figures were conceded at trial *not* to include the activities of licensees (74a), *were* attributable to Burlington. Moreover, plaintiff seems to argue that, while Burlington's sales and advertising are relevant in determining the recognition of plaintiff's mark (Brief at 17-18), they cannot be considered in characterizing Mrs. Neumann as a textile designer (Brief at 29). The conclusion from the Exhibit 24 figures (E111), however, that about one-fourth of plaintiff's product line comprises linens and that linens account for the largest single amount of advertising figures, is inescapable.

Plaintiff contends that couturiers such as Saint Laurent and Cardin have also extended their marks to textiles (Brief at 29) and concludes therefrom that the appearance

of plaintiff's designs on sheets and pillowcases "enhances" its identification with well-known fashion designers. The fallaciousness of this reasoning is manifest. The designers in question—Saint Laurent, Cardin, Pucci—had all earned their reputations long before their ventures with home designs (E5). The fact that Vera, who has long been associated with home designs, also makes sheets and pillowcases no more equates her to these high fashion designers than it would Burlington Industries, which actually manufactures these items. Furthermore, the evidence cited in support of this contention clearly shows that this development did not take place until 1964 with Emilio Pucci and did not gain impetus until the late 1960's (E3). Whatever association with high fashion may have accrued to the plaintiff from these trends cannot be urged in derogation of the rights of a defendant whose predecessors have used the mark VERA in this country since 1962 (E152-E153).

Although the plaintiff produced three so-called expert witnesses to vouch for Vera Neumann's reputation in the fashion industry (139a-140a, 164a, 186a, 190a, 192a-193a), the bias of two of those interests is apparent from their accreditations. Mr. Stricker, the management consultant, had previously been engaged by the plaintiff for a consulting assignment (141a), while Mr. Rubenstein was previously employed by two of plaintiff's customers (187a-188a, 43a). The trial court, which had an opportunity to observe the demeanor of these witnesses, was not bound by their testimony, even if uncontradicted. *Hassan v. Stafford*, 472 F. 2d 88, 96 (3d Cir. 1973); *Mound Co. v. Texas Co.*, 298 F. 2d 905, 910 (5th Cir.), cert. denied, 371 U.S. 817 (1962). The testimony of these witnesses was contradicted,

however, by plaintiff's own proofs, as has been pointed out above.

Even these witnesses' testimony had to be taken out of context to achieve the desired posture. As a close examination of the record will readily establish, Mr. Rubenstein did not testify that Vera's name "equated" with that of high fashion designers in the ordinary sense of the word. Set out in full, the relevant testimony was as follows:

Q. Insofar as the word Vera is concerned where in your opinion does the word Vera equate with the [high fashion designers'] names that appear in Exhibit 25?

A. Well, I think Vera equates with any of those people in quality merchandise. *I mean that Vera is synonymous with a signature scarf, the same as these people are synonymous with high fashion and there is the equality of it.* (192a-193a) (emphasis supplied).

The "equality", then, is between Vera's identification with scarves and the other names' identification with high fashion and not between Vera and the other names directly. Further, the phrasing of the answer clearly suggests that, in the witness's opinion, Vera is not synonymous with high fashion.

Somewhat belatedly, plaintiff also argues that Mrs. Neumann's reputation is established by newspaper and magazine articles that mention her name (Brief at 26-29, E1, E3-E6). These documents, however, suffer all the evidentiary infirmities of opinion testimony of Messrs. Stricker, Rubenstein, and Rubin. No evidence was offered in support of their authors' qualifications, nor was any evidence offered as to whether these articles were independently written or were sponsored in part by the plaintiff's

press agents, as is common in the trade. Furthermore, these articles suffer the infirmity of being mere hearsay. *Robert Stigwood Group Ltd. v. O'Reilly*, 346 F. Supp. 376, 382 (D. Conn. 1972); *Sun Valley Co. v. Sun Valley Mfg. Co.*, 167 U.S.P.Q. 304, 306 (T.T.A.B. 1970) (articles purportedly acclaiming reputation of petitioner's mark held inadmissible for truth of contents).

It is highly significant that all of these articles relate primarily to home furnishings. If Mrs. Neumann truly "equates" with couturiers and other high fashion designers as claimed by plaintiff, it is certain that in all the years plaintiff has been in business, a newspaper or magazine article would have discussed her together with such designers in a fashion context. No such article was produced.

It is also significant that, although the plaintiff has been in business for some thirty years (84a), it has not extended its product lines beyond what are basically scarves, sportswear, and linens. Although it may be true that previous expansive activities of a trademark owner increase the public's belief that that trademark owner will expand to other lines in the future, it is also true that the failure to expand will decrease that belief. While plaintiff has occasionally added items to its product lines and has expanded its activities in some existing product lines, it has not ventured into such basically alien lines as high fashion or cosmetics. Some of the evidence, in fact, suggests that the plaintiff has dropped many products. Many of its related marks such as VERA TERRY, VERA INSEPARABLE, etc. are no longer being used (84a-95a). Thus, rather than showing an increased likelihood of ex-

pansion, the history of plaintiff's business shows precisely the opposite.

Although the plaintiff may once have belatedly discussed the licensing of its trademark with established fragrance manufacturers (141a-144a), this fact alone has little or no bearing on the present case since, at best, those discussions evidence only plaintiff's subjective intent to enter the cosmetics field. However, a mere intention to expand, not acted upon, cannot extend one's trademark rights to otherwise unrelated goods. *Aerol Co. v. Archer-Daniels-Midland Co.*, 138 U.S.P.Q. 322, 323 (T.T.A.B. 1963). To the extent that those negotiations are relevant, however, their failure strongly suggests that plaintiff's mark VERA lacks the reputation, either in the industry or among the public, that is necessary for its successful extension to cosmetics. The bland statements of the prospective licensees that there was merit (143a-144a) in the idea of VERA cosmetics cannot be considered as any more than typical examples of the polite response given when turning down an unattractive business proposition.

POINT III

The parties sell goods which are entirely dissimilar through different channels of trade.

A further consideration militating against any likelihood of confusion in this case is the total dissimilarity of the goods involved. While the textiles and apparel manufactured by the plaintiff are durable and appeal to the eye, the cosmetics and toiletries sold by the defendant are consumable and appeal to the sense of smell. More important

than merely the different descriptive properties are the different manufacturing skills called for by the respective products. Unlike the manufacture of textiles and apparel, the manufacture of soaps, cosmetics, and toiletries is a complex enterprise requiring considerable experience and technical know-how. Plaintiff has never manufactured such products, nor is it apparently capable of doing so, since, as it concedes, its principal asset resides in the artistic abilities of its president, Mrs. Neumann (214a). It is interesting to note, for example, that Mr. Stricker, a management consultant who was one of plaintiff's expert witnesses, specifically advised the plaintiff not to enter the cosmetics field on its own or with someone lacking prior experience (139a, 146a). It is highly unlikely that plaintiff's limitations in this respect would be lost on the consuming public.

Furthermore, the parties' goods are ordinarily sold through different channels of trade. While plaintiff's goods are generally sold in department stores, boutiques, and specialty shops, defendant's goods are usually distributed through drugstores, botanicas, and other small stores, only the last of which also sell fabric goods (155a). Other than three department stores (Brief at 43), plaintiff was unable to cite any instances in which the parties' products were commonly sold. The fact that the goods may have been commonly sold in department stores is of little significance, given the almost unlimited number of unrelated goods sold at such stores. *King Research, Inc. v. Shulton, Inc.*, 324 F. Supp. 631, 638 (S.D.N.Y. 1971), *aff'd*, 454 F. 2d 66 (2d Cir. 1972).

Defendant's products are also ordinarily advertised in different media. Most of the advertisements for VERA

cosmetics have appeared in Spanish-language newspapers, such as *El Tiempo* (155a-1, E176-E184). The only publications to feature advertisements of both of the parties have been the *New York Post* and *Daily News*, which contain general subject matter, and *Women's Wear Daily*, which is directed to members of the trade and not the general public (Brief at 43).

Although plaintiff has cited a number of decisions in support of its contention that apparel and cosmetics are related fields (Brief at 35-37), all of these decisions involve additional or aggravating factors not present in the instant case. Six of the decisions are Patent Office cases involving arbitrary and fanciful marks (NICE 'N EASY, AFTER SIX, DATE MATES, etc.), the adoption of which could not readily be explained by the applicants or registrants. In *La Chemise Lacoste v. Alligator Co.*, 374 F. Supp. 52 (D. Del.), vacated for lack of subject matter jurisdiction, 506 F. 2d 339 (3d Cir. 1974), cert. denied, — U.S. —, 95 S. Ct. 1666, 44 L.Ed.2d 94 (1975), one of the two District Court cases cited, the mark in question was a highly distinctive alligator emblem. In *Gant of New Haven, Inc. v. Chez Boye Parfums Int'l, Inc.*, 256 F. Supp. 982 (M.D. Fla. 1966), there was evidence that the defendant deliberately attempted to trade on the plaintiff's mark GANT. Conspicuously absent from the plaintiff's list of cases are the Court of Customs and Patent Appeals decisions of *David Crystal, Inc. v. Sharon Ray Corp.*, 476 F. 2d 1372 (C.C.P.A. 1973), *David Crystal, Inc. v. Estee Lauder, Inc.*, 476 F. 2d 1373 (C.C.P.A. 1973), and *David Crystal, Inc. v. Helene Curtis Industries, Inc.*, 476 F. 2d 1374 (C.C.P.A. 1973), each of which held that there was no confusion between similar marks applied to apparel and to cosmetics.

It is significant that, although the goods of both parties have moved through commerce for twelve years (between 1962 and 1974, the time of trial), no confusion has been experienced. Plaintiff has admitted that it has no record of conflicts regarding the name VERA with other firms generally or with Vera Cosmetics Limited, a prior distributor of VERA cosmetics, specifically.¹⁶ In fact, plaintiff's former vice president, Mr. Levisohn, claimed not to have known of the existence of VERA cosmetics until he had read an advertisement placed by the defendant in *Women's Wear Daily* in 1970 (119a-120a). Similarly, neither the defendant nor its predecessor, Vera Cosmetics Limited, has experienced any confusion with the products sold by the plaintiff (153a, 278a). All of these facts strongly suggest that there is no likelihood of confusion. *Societe Anonyme, etc. v. Julius Wile Sons & Co.*, 161 F. Supp. 545, 548 (S.D. N.Y. 1958). While plaintiff continues to deprecate the dollar amounts of defendant's sales, the relatively low cost of the individual items means that a large number of goods, relatively speaking, have moved through the market place.

The supposed instances of "actual confusion", urged by the defendant for the first time after the trial, are either unsupported by the facts or irrelevant to the case at bar. Thus, one such instance is said to arise out of a conversation between a Gimbels salesgirl (at some unspecified point on the main floor) and Mr. Sieczka, an employee of plaintiff's attorneys who was directed to purchase samples of both parties' products. The substance of the cited remark made by the salesgirl (as related by Mr. Sieczka) was that she knew Vera sold scarves, but did not know that Vera

16. Plaintiff's Supplemental Answers to Defendant's Requests for Admissions 26 and 35, filed July 5, 1973.

sold cosmetics (Brief at 43; 30a). The short answer to this contention is that it is untenable, since any possible inference from this remark depends critically on the precise language used. Given that Mr. Siczka visited Gimbel's more than a year before the trial (130a), it would be incredible that he could recall the exact words used by the salesgirl. Furthermore, it is reasonable to suppose that Mr. Siczka's employment by plaintiff's attorneys at least unconsciously influenced his recollection. Even if the remark were accurately recalled, it could just as plausibly indicate a failure to associate the plaintiff's mark with cosmetics bearing the same mark, and thus demonstrate a lack of confusion.

The only other instance of confusion cited by the plaintiff, the confusion that occurred with Vera Custom Fashions, a third party and prior user, has even less bearing on the present case. Not only does Vera Custom Fashions use an almost identical mark, VERA in script (E190), but it also deals in the same general line of goods as does plaintiff. It would hardly be surprising, then, that some confusion would occur. On the other hand, Vera Cosmetics Limited, a prior importer of VERA cosmetics, has operated for some six years, between 1968 and 1974, without experiencing any such confusion (278a). All of this strongly suggests that Vera Custom Fashions' experience is *sui generis* and of no relevance to the present case.

Finally, it should be noted that much of plaintiff's evidence concerning this and previously discussed aspects of the case is not only vague and inconclusive, but relates to events that took place long after VERA cosmetic products were first sold in the United States. Even assuming, *argu-*

uendo, that those events may create a present likelihood of confusion, this in itself is irrelevant, for it is well settled that the rights of a junior user are determined not as of the time of suit, but rather as of the time of the junior user's first use. *Borg-Warner Corp. v. York Shipley, Inc.*, 293 F. 2d 88, 92 (7th Cir.), cert. denied, 368 U. S. 939 (1961); see *Carter-Wallace, Inc. v. Procter & Gamble Co.*, *supra* at 799. Plaintiff must show, therefore, that the cosmetics and apparel were so related in 1962, that confusion would have been likely between goods bearing similar marks from these two classes. Plaintiff must further show that, even if these classes were so related, its mark was sufficiently well-known in 1962 that confusion would have been likely. We submit that neither of these showings has been made.

Although the plaintiff has been emphasizing the conjured "natural relationship" between apparel and cosmetics, it is far from obvious that such a relationship existed in 1962. Most if not all of its evidence bearing on this natural relationship dates from the late 1960's at the earliest. All of the *Vogue* advertisements (E55-E95) cited as samples of the relation between the two products (Brief at 33-34) are taken from 1969 and 1970 issues of the magazine. The newspaper and magazine article (E1-E6) allegedly recounting industry trends are also of late 1960's or later date. Finally, all of the court and Patent Office decisions (Brief at 35-37) cited in support of the claimed relationship between cosmetics and apparel range from 1966 to 1974. The absence of any similar evidence from an earlier period in itself suggests that the widespread extension of product lines is a comparatively recent develop-

ment. Many of the articles, however, explicitly acknowledge the recent character of the phenomenon of product line extension. A *New York Times* article relates, for example, that Pucci, the first couturier to experiment with home furnishings, did not make linens until 1967 (E3). The time delay which inevitably occurs between industry movements and their perception by the public implies that the consumers' association of apparel with cosmetics (or home furnishings), if it ever occurred, did not occur until the late 1960's or early 1970's, long after the actual entry into the cosmetics field by defendant's predecessors.

It is also highly doubtful that plaintiff's mark was sufficiently well-known in 1962 to create a likelihood of confusion, even assuming that mere advertising can create secondary meaning. All of plaintiff's sales and advertising figures, for example, are for years between 1965 and 1974 (E111).¹⁷ The discussions with the fragrance manufacturers, it has already been noted, took place in 1969 and 1970.

Rather than try to prove that its mark had acquired a widespread secondary meaning at an early date, plaintiff has tried to deny the fact of defendant's prior use by drawing the most strained inferences from the documentary evidence and ignoring uncontradicted, unequivocal testimony concerning objective facts. Typical of plaintiff's distortions is its assertion (Brief at 40) that Sarita Feldchtein, the prior distributor of VERA cosmetics, "admitted

17. It is also worth noting that of \$3 million alleged to have been spent by plaintiff for advertising since 1966, about \$1.6 million was spent after the placement of defendant's ad in *Women's Wear Daily* on July 29, 1970 (E110, E111). *A fortiori*, these figures cannot be considered in determining the strength of plaintiff's mark.

in cross-examination that there was no trademark use of VERA prior to 1969" (emphasis in original omitted). This assertion is apparently based upon the following testimony of Miss Feldchtein:

Q. In connection with the exhibits that have previously been marked, all of the exhibits, samples of your importations, would you please examine them and tell me whether or not prior to 1969 there is any indication of the importation by you of a product which bore the words "Vera" or the word "Vera" on it? A. You said prior to '69, is that correct?

Q. Yes. A. No, I don't see any.

Q. Do you find any other indications of other words which you understand as a trademark claimed by the exporter? A. Are you referring to Siglo de Oro?

Q. Yes, is there any Ventolera? A. Yes.

Q. But there are no Veras as such prior to '69 in these examples which you brought; is that correct? A. Right.

It may readily be verified, however, that the "samples" referred to in this excerpt are not the products themselves, but rather the invoices referred to previously in her testimony (273a). It would only be natural that the mark VERA would not appear on pre-1969 invoices since, during that time, the mark VERA was used along with other or subbrand marks such as SIGLO DE ORO (E191). Miss Feldchtein in fact explicitly testified to such conjoint use (280a) at a later point in her testimony, a fact studiously and conspicuously ignored by the plaintiff.

Plaintiff has also contended (Brief at 39) that the trademark specimens accompanying the application for registration of the trademark SIGLO DE ORO, which specimens also show the use of VERA as a trademark, need

only have been "used" and not necessarily "used in commerce". This is simply a misstatement of the applicable law. Not only does the Trademark Act provision cited by the plaintiff, 15 U.S.C. §1051, employ the terms "use" and "use in commerce" interchangeably, but the Patent and Trademark Office rules explicitly provide that trademark specimens "shall be duplicates of the actually used labels, tags, or containers, or the display associated therewith or portions thereof". 37 C.F.R. §2.56. The term "duplicates" as used in this rule does not mean likenesses or copies, but samples of labels actually used. Trademark Manual of Examining Procedure (TMEP) §808.04. That the term "used" means "used in commerce" is also clear from the fact that the specimens submitted are regularly examined to determine whether the applicant has complied with other statutes (such as the Federal Food, Drug and Cosmetic Act, 21 U.S.C. §§301-92) governing goods moving in interstate or foreign commerce. 37 C.F.R. §2.69; TMEP §901; *In re Stellar International, Inc.*, 159 U.S.P.Q. 48 (T.T.A.B. 1968).

The claim (Brief at 41) that defendant's use of the mark VERA together with other marks is a mere "trade name" use not giving use to trademark rights is also totally without merit, for it is well established that a trade name can also function as a trademark. *Blanchard Importing & Distributing Co. v. Societe E. Blanchard et Fils*, 169 U.S.P.Q. 615, 618 (T.T.A.B. 1971). The manner in which the word VERA is used on labels also bearing other marks clearly indicates that it functions as a trademark. VERA does not appear as merely part of a corporate name or address, but in stylized block letters above the notation

(ESPANA) which is set in slightly smaller type (*e.g.*, E 204). The mere fact that a more prominent mark such as SIGLO DE ORO may be used in conjunction with the mark VERA does not lessen the latter's significance as a trademark. *Chun King Corp. v. Genii Plant Line, Inc.*, 403 F. 2d 274, 276 (C.C.P.A. 1968).

The fact that such use may have been "limited" does not detract from the fact that it was part of an ongoing program to exploit the mark commercially. *La Societe Anonyme des Parfums Le Galion v. Jean Patou, Inc.*, 495 F. 2d 1265, 1272 (2d Cir. 1974), citing *Sheila's Shine Products, Inc. v. Sheila Shine, Inc.*, 486 F. 2d 114, 123 (5th Cir. 1973). Again, it should be remembered that during the time the defendant's predecessors were making "limited" use of the mark VERA for cosmetics, plaintiff was making no such trademark used in that field.

POINT IV

The equities of this case do not warrant the issuance of an injunction.

It has been shown that no confusion or mistake resulted from defendant's use of the mark VERA in the United States in 1962, nor is there any confusion or mistake resulting from defendant's present use. Even assuming, *arguendo*, that some residual possibility of confusion exists, that possibility alone should not entitle the plaintiff to an injunction.

This Court has previously stated its position concerning the relative rights of junior and senior users of marks on related goods:

[W]e have consistently held that a senior user possesses but two legitimate interests which may properly call for injunctive relief against a use by a junior user on related goods, namely, that he may at some future date desire to expand his business into the related field in which the junior user is operating and that he, in any event, should be able to develop his present business free from the stain and tarnishment which may result from improper trade practices of the junior user. But against these legitimate interests of the senior user are to be weighed the legitimate interests of the innocent second user. *Avon Shoe Co. v. David Crystal, Inc.*, 279 F. 2d 607, 613 (2d Cir. 1960).

The good faith of the defendant is apparent from the history of the case, and has not been seriously challenged by the plaintiff. The manufacturing company Vera S.A. was founded some ten years before the plaintiff and had registered its mark internationally almost ten years before plaintiff's first United States registration. Defendant's logotype VERA is totally dissimilar from plaintiff's logotype and has remained unchanged since at least 1962 (E106, E159). Plaintiff's offhand remark (Brief at 46) concerning defendant's alleged expansion from trade name use to trademark is not only inconclusive but also factually erroneous. Defendant has been using VERA alone on lipstick, for example, as early as 1964 (E187). The remark concerning defendant's failure to answer plaintiff's letters of protest is also without merit. The fact that the defendant may have had notice of plaintiff's legal claims to the mark VERA in the fabric field does not negative defend-

ant's good faith. *Triumph Hosiery Mills v. Triumph Int'l Corp.*, *supra* at 199. Nor does the failure to answer such letters constitute an admission of their contents. Defendant was not bound to answer these letters, and it is well settled that "a party to the action cannot make evidence for himself by writing a letter to the other party which the latter is not bound to answer". *Lord & Spencer, Inc. v. M. N. Stout Co.*, 33 F.2d 60, 62 (1st Cir. 1929); accord *Nelson v. Frawley*, 186 F. Supp. 66, 68 (S.D.N.Y. 1960).

Clearly the first of these two protectible interests will not be served by awarding plaintiff an injunction. Although the plaintiff asserts that there is a "strong possibility" that it will expand to cosmetics if successful (Brief at 45) and that an adverse decision will "effectively foreclose" it from expanding to cosmetics (Brief at 47), there is no evidence to support either of these assertions. As has been pointed out before, plaintiff does not plan, and is apparently unable to manufacture cosmetics itself, but rather plans to "expand" to cosmetics by licensing established manufacturers such as Max Factor or Estee Lauder (108a, 142a-144a, 146a). Given plaintiff's total lack of experience in the fragrance field, it is difficult to imagine what "control" plaintiff hopes to exercise over such licensees or what skills it has to offer other than the design of the label. And, given the difficulties experienced with the negotiations held to date, it is unlikely that future efforts will prove successful either. Further, plaintiff blithely assumes that it has a pre-existing right to use its trademark in the cosmetics field. It has been held on countless occasions, however, that trademark rights do not exist in gross, but are only appurtenant to the good will of an

established business. *United Drug Co. v. Theodore Rec-tanus Co.*, 248 U. S. 90, 97 (1918); *Sheila's Shine Products, Inc. v. Shelia Shine, Inc.*, *supra* at 122-23.

Nor can it seriously be contended that the plaintiff's reputation will suffer from the defendant's use of the mark VERA. Vera S.A., the manufacturer of VERA cosmetics, has been in business for over forty years (152a) and thus has its own reputation and good will to protect. The concern for quality in the manufacture and packaging of VERA cosmetics is apparent from the many brochures, advertisements, and product samples received in evidence (*e.g.*, E106, E133-E145), many of which materials show a demonstratively stronger association with high fashion than plaintiff could ever hope to claim.

While plaintiff asserts that affirmance of the District Court decision would invite future attacks by third parties (Brief at 47), plaintiff has shown no inclination in the past to protect its mark against encroachment by other, closely similar marks in the apparel or cosmetics fields, as has been discussed under Point I above. Further, the tenor of plaintiff's assertion seems to suggest that it is seeking relief on a dilution theory. The New York courts, however, have declined to provide relief under such a theory absent "confusion, fraud, deception, or palming-off". *King Research, Inc. v. Shulton, Inc.*, *supra* at 639. None of these elements has been established in the case at bar.

In sum, then, no legally recognizable interest of the plaintiff will be served by awarding it an injunction against the defendant. On the other hand, such an injunction would fatally cripple the defendant's ability to market its prod-

ucts in the United States. While it is unclear what else plaintiff's proofs have established, they have established the custom of perfumers and couturiers of applying their own names to their goods. The commercial advantage of such a custom is apparent, since most of the good will of such enterprises is associated with a single person. This custom has endured despite the growing trend in other industries towards arbitrary names or acronyms. It is fair to say that the association of the mark with the name of the manufacturer is itself a substantial factor in whatever good will the mark eventually comes to signify.

It is this natural advantage, if not necessity, of doing business under one's own name in the cosmetics and fragrance field which gives the lie to plaintiff's claim that defendant "should easily be able to effect a change to a different name and mark" (Brief at 47). Even if the defendant had always used a different mark, such a mark would have been inherently less capable of exploitation and may not have allowed Vera S.A. to grow as it has.

Although the defendant has also used such subbrand marks as SIGLO DE ORO and VENTOLERA, the unifying symbol is the house mark VERA. If it is deprived of the use of this mark, it will have no other means readily to associate its variety of differently branded products with a single producer and would thus suffer a severe and unmerited commercial disadvantage. It is interesting to note that while, on the one hand, plaintiff claims that its "signature scarves" have won it widespread recognition (Brief at 21), it seems to argue, on the other hand, that no one else can follow a similar course. This principle appeared in a slightly different context in *Durable Toy & Novelty Corp.*

v. *J. Chein & Co.*, 133 F. 2d 853 (2d Cir. 1943). There the issue was whether the plaintiff had the exclusive right to use the name and likeness of Uncle Sam on piggy banks:

"If the plaintiff had wished a truly proprietary sign, it needed only slight ingenuity to contrive one which would have protected it without question. It was not content with that; like the defendants, it wished to throw about its banks a vague implication of solidity, and at the same time to create a trade-mark. We do not say that even so it would be unable to prevent the actual appropriation of its customers; but we do hold that when there is no more at stake than a possible—and not very probable—cheapening of its reputation, it cannot deprive others of the same commercial advantage which led it originally to adopt a legend so commonly employed." *Id.* at 855.

On this point, the following comment of this Court is also especially appropriate:

"When all is said, if a man allows the good will of his business to become identified with a surname so common as Johnson, it is fair to impose upon him some of the risk that another Johnson may wish to sell goods not very far afield; and he must show a substantial interest if he would seriously impair the second Johnson's privilege to use his own name. *S. C. Johnson & Son v. Johnson*, 116 F. 2d 427, 430 (2d Cir. 1940)."

Significantly, the Court held that, even though some confusion was inevitable, that alone did not bar the defendant from applying his name to his product. Although this case was decided before the enactment of the Lanham Act, its principles were reaffirmed in a subsequent suit between the parties following such enactment. *S. C. Johnson & Son v. Johnson*, 175 F. 2d 176, 180 (2d Cir. 1949).

Other equities arise from plaintiff's long delay in bringing suit. Although plaintiff claims not to have known of VERA cosmetic products until 1970 (79a, 80a), Vera Cosmetics Limited, the prior importer of VERA cosmetics, has had its present business style since 1968 (E193) and is listed in the Manhattan telephone directory only three lines apart from the plaintiff (E174). This earlier inaction strongly suggests that this suit was prompted not out of an objective fear of confusion, but rather because of a subjective intent to expand into the cosmetics line as evidenced by the unsuccessful negotiations in 1969 and 1970.

In conclusion, none of the equities of this case warrants the issuance of an injunction against defendant. Defendant's supplier has adopted its mark in good faith and long prior to plaintiff's registration of its mark. There is no likelihood either that plaintiff will expand to cosmetics or that its reputation will suffer at the hands of the defendant. On the other hand defendant would suffer greatly and unjustly if an injunction were to be granted. And, finally, plaintiff's earlier inaction against defendant's predecessor and others makes it inequitable that it should obtain relief at this late date. For all of these reasons, an injunction against defendant's use of its own mark should be refused.

Conclusion

It is our respectful submission that plaintiff's testimony and documentary evidence, rather than establishing it is entitled to appropriate defendant's good will in the field of perfumes, cosmetics, and toiletries and oust the defendant from its business, demonstrates that plaintiff's complaint

is wholly without merit and was properly dismissed by the District Court. The decision of the District Court should be affirmed in all respects.

Respectfully submitted,

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Attorneys for Defendant-Appellee

Of Counsel:

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WILLIAM A. KINNAMAN, JR.

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Class 3—Baggage, Animal Equipments, Portfolios, and Pothooks

For Women's and Junior Women's Handbags, Pothooks and Purse (Int. Cl. 18).

Class 39—Clothing

For Women's and Junior Women's Clothing and Accessories—Namely, Blouses, Shirts, Slacks, Shorts, Skirts, Sweaters, Dresses, Suits, Jackets, Capes, Stoles, Coats, Overcoats, Millinery, Gloves, Scarves, Hosiery, Shoes, Belts, Housecoats, Robes, Raincoats, Swimwear, Sleepwear, and Lingerie (Int. Cl. 28).

First use Aug. 29, 1969.

SN 391,327. Vera Perfumeria y Cosmetics, S.A., Barcelona, Spain, assignee of Abelardo Vera Martinez, Barcelona, Spain. Filed May 6, 1971.

VERA

Owner of Spanish Reg. No. 195,162, dated Feb. 2, 1968.

Class 51—Cosmetics and Toilet Preparations

For Nail Lacquer, Lipstick, Face Powder, Eye Shadow, Cologne, Perfum, After-Shave Lotion, and Deodorants (Int. Cls. 3 and 5).

Class 52—Detergents and Soaps

For Toilet Soap (Int. Cl. 9).

SN 394,577. British Leyland (Austin-Morris) Ltd., Longbridge, Birmingham, England. Filed June 15, 1971.

**Class 19—Vehicles**

For Windshield Wiper Blades for Use in Automotive Vehicles (Int. Cl. 12).

Class 26—Measuring and Scientific Appliances

For Thermostats for Use in Automotive Vehicles (Int. Cl. 12).

Class 35—Belted, Hose, Machinery Packing, and Non-metallic Tires

For Gasket Sets and Fan Belts for Use in Automotive Vehicles (Int. Cl. 12).

First use Dec. 1, 1969; in commerce January 1970.

SN 395,674. International Silver Company, Meriden, Conn. Filed June 24, 1971.



Owner of Reg. Nos. 234,922, 356,124, and others.

Class 23—Cutlery, Machinery, and Tools, and Parts Thereof

For Stainless Steel Flatware—Namely, Knives, Forks and Spoons (Int. Cl. 8).

Class 28—Jewelry and Precious-Metal Ware

For Flatware and Holloware Made in Whole or in Part of Precious Metal (Int. Cl. 14).

Class 30—Crockery, Earthenware, and Porcelain

For China Tableware (Int. Cl. 21).

First use at least as early as 1950.

SN 397,468. Kabushiki Kaisha Lucky Hair Products, Yao-shi, Osaka-fu, Japan. Filed July 15, 1971.

LUCKY**ラッキー**

The Japanese characters mean "Lucky." Owner of Japanese Reg. No. 261,506-2, dated Jan. 29, 1935.

Class 39—Clothing

For Hairnets, Haircaps and Showercaps (Int. Cl. 26).

Class 40—Fancy Goods, Furnishings, and Notions

For Combs, Ornamental Bodkins, Ornamental Hairpins, Hairpins, Hair Clips, Hairclips, Hairpins for Black Hair, False Locks of Hair, Hair Pads, Chignons, Wigs, Chignons in the Shape of a Straw Haircoat, False Hair, Hairpieces, Ornaments To Be Fitted to the Back of the Top-Knot, Hairbands, and Hair Ornaments Made of Silk, Ribbon and Paper Cord (Int. Cl. 26).

SN 400,651. Y-Ono Company, d.b.a. Meia, Naniwaku, Osaka, Japan. Filed Aug. 10, 1971.

MEIA**Class 51—Cosmetics and Toilet Preparations**

For Cosmetic and Toiletory Products—Namely, Cosmetic Oil and Cleansing Cream (Int. Cl. 3).

Class 52—Detergents and Soaps

For Facial Soap (Int. Cl. 9).

First use at least as early as Oct. 24, 1970; in commerce at least as early as Oct. 24, 1970.

SN 401,490. Martin J. Jacobs, d.b.a. The Fitting Image, Glen Rock, N.J. Filed Aug. 30, 1971.

THE FITTING IMAGE**Class 39—Clothing**

For Men's and Women's Commercial Uniforms (Int. Cl. 28).

In the
UNITED STATES COURT OF APPEALS
for the
Second Circuit

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SCARVES BY VERA, INC., :
Plaintiff-Appellant, :
v. : Docket No.
75-7529
TODO IMPORTS LTD. (INC.), :
Defendant-Appellee. :
-----X

CERTIFICATE OF SERVICE

WILLIAM A. KINNAMAN, JR., hereby certifies that
on February 13, 1976, he served the attached Brief for
Defendant-Appellee by personally delivering copies of the
same to the office of Rogers Hoge & Hills, counsel for
plaintiff-appellant, at 90 Park Avenue, New York, New York
10016.

New York, New York
February 13, 1976

William A. Kinnaman Jr.
William A. Kinnaman, Jr.

